

Child-Care Services

(SIC 835)

SIGNIFICANT POINTS

- Preschool teachers, teacher assistants, and child-care workers account for more than 7 out of 10 wage and salary jobs.
- Training requirements for most jobs are minimal, but range from a high school diploma or less for child-care workers to a college degree for some teachers and directors.
- Job openings should be numerous because of rapid employment growth coupled with high turnover—reflecting few benefits, low pay, and occasionally stressful working conditions.

Nature of the Industry

Child-care needs are met in many different ways. Care in a child's home, care in an organized child-care facility, and care in a provider's home are all prevalent arrangements for pre-school-age children. Older children may receive child-care services when they are not in school, generally through before- and after-school programs or during breaks. With the increasing number of women in the workforce, child-care services has become one of the most talked about, and fastest growing, industries in the U.S. economy. Obtaining affordable, quality child care, especially for children under age 5, is a major concern for many parents.

This industry consists of establishments that provide paid care for infants, prekindergarten or preschool children, or older children in after-school programs. Formal child-care centers include nursery schools, preschool centers, Head Start centers, and group day care centers. Self-employed workers in this industry often provide care from their home for a fee. This industry does not include occasional babysitters or persons who provide unpaid care in their homes for the children of relatives or friends. (Social services, except child care is covered in a separate *Career Guide* statement.)

The for-profit sector of this industry includes centers that operate independently or are part of a local or national chain, whereas nonprofit child-care organizations include religious institutions, YMCA's, colleges, employers, public schools, social service agencies, and State and Federal Government agencies. For-profit establishments have grown rapidly in response to demand for child-care services. Within the nonprofit sector there has been strong growth in Head Start, the Federally funded child-care program designed to provide disadvantaged children with social, educational, and health services.

Child care shifted in the past from unpaid to paid caregivers, particularly child-care centers. Center-based care has increased, substituting for unpaid care by relatives, as fewer families have access to relatives who were willing or able to keep their children.

Some employers offer child-care benefits to employees. They recognize the lack of child-care benefits as a barrier to the employment of qualified women, and that positive results come in the form of increased employee morale and reduced absenteeism. Some employers sponsor child-care centers in or near the workplace; others offer direct financial assistance, vouchers, or discounts for child

care, after-school or sick child-care services, or a dependent care option in a flexible benefits plan.

Working Conditions

Watching children grow, enjoy learning, and gain new skills can be very rewarding. Preschool teachers and child-care workers often improve their own communication, learning, and other personal skills by working with children. The work is never routine; each day is marked by new activities and challenges. However, child care can be physically and emotionally taxing, as workers constantly stand, walk, bend, stoop, and lift to attend to each child's interests and problems. They must be constantly alert, anticipate and prevent trouble, deal effectively with disruptive children, and provide fair but firm discipline. However, this is a relatively safe industry; in 1997, child-care services had an injury and illness rate of 3.0 per 100 full-time workers, compared to a rate of 7.1 throughout private industry.

The hours of child-care workers vary. Many centers are open 12 or more hours a day and cannot close until all the children are picked up by their parents or guardians. Unscheduled overtime, traffic jams, and other types of emergencies can cause parents or guardians to be late. About 3 out of 10 full-time employees in the child-care services industry work more than 40 hours per week. Self-employed workers tend to work longer hours than their salaried counterparts. The industry also offers many opportunities for part-time work—around 30 percent of all employees work part-time.

Many child-care workers are faced with stressful conditions, low pay, and few benefits. Turnover in the occupation is high.

Employment

About 605,000 workers held wage and salary jobs in child-care establishments in 1998. An additional 536,000 self-employed persons worked in the industry; most of the self-employed were family child-care providers, and some were self-employed managers of child-care centers. Employment estimates understate the total number of people working in this industry because family child-care homes run by relatives often are not counted, and because many other family child-care providers operate without a license to avoid the burden of licensing and taxation.

Jobs in child care are found across the country, mirroring the distribution of the population. Child-care operations vary

in size, from the self-employed person caring for a few children in a private home to the large corporate-sponsored center employing a large staff. More than 2 out of 10 wage and salary jobs are located in establishments with fewer than 10 employees. Nearly all have fewer than 50 (chart).

Opportunities for self-employment in this industry are among the best in the economy. Nearly half of all workers are self-employed, compared to less than 1 out of 10 throughout industry. This reflects the ease of entering the child-care business.

The median age of child-care providers is 36, compared to 39 for all workers. More than 21 percent of all care providers are 24 years of age or younger (table 1). About 8 percent of these workers are below the age of 20, reflecting the minimal training requirements for many child-care positions.

Table 1. Percent distribution of employment in child-care services by age group, 1998

Age	Child-care services	All industries
Total	100.0	100.0
16-19	7.9	5.4
20-24	13.5	9.5
25-34	25.3	23.9
35-44	26.7	27.5
45-54	16.2	21.0
55-64	7.9	9.8
65 and older	2.5	2.9

Occupations in the Industry

There is far less occupational diversity in the child-care services industry than in most other industries. Three occupations—*preschool teachers*, *teacher assistants*, and *child-care workers*—account for nearly 75 percent of all wage and salary jobs (table 2).

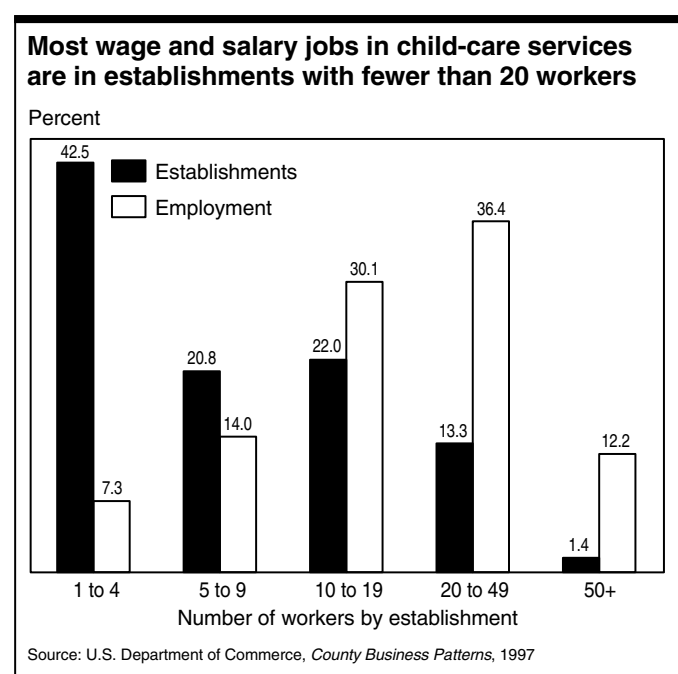


Table 2. Employment of wage and salary workers in child-care facilities by occupation, 1998 and projected change, 1998-2008

(Employment in thousands)

Occupation	1998 Employment Number	1998 Percent	1998-2008 Percent change
All occupations	605	100.0	32.3
Professional specialty	237	39.2	34.7
Teachers, preschool	193	31.9	33.3
Teachers, kindergarten	11	1.8	40.7
Social workers	7	1.2	40.7
Teachers, elementary school	7	1.2	40.7
Service	209	34.6	36.7
Child-care workers	174	28.8	38.5
Cooks, institution or cafeteria	14	2.3	26.6
Janitors and cleaners, including maids and housekeeping cleaners	9	1.4	26.6
Food preparation workers	6	1.1	26.6
Administrative support, including clerical	99	16.3	15.0
Teacher assistants	79	13.1	12.6
Executive, administrative, and managerial	48	8.0	36.0
General managers and top executives	17	2.8	36.6
Education administrators	17	2.7	40.7
Operators, fabricators, and laborers ...	8	1.3	39.0
Busdrivers	7	1.1	40.7
All other occupations	3	0.5	35.5

Preschool teachers comprise the largest occupation in the child-care industry, accounting for about 32 percent of wage and salary jobs. They teach pupils basic physical, mental, and developmental skills in public or private schools. *Teacher assistants* account for 13 percent of employment. They give teachers more time for teaching by assuming a variety of tasks. For example, they may record grades, set up and dismantle equipment, or prepare instructional materials.

Child-care workers account for about 29 percent of wage and salary jobs. Large proportions of the self-employed who keep children in their homes also are child-care workers. In a home setting, they are known as *family child-care providers*. Regardless of the setting, these workers feed, diaper, comfort, and play with infants. When dealing with older preschoolers, they attend to the children's basic needs and organize activities that stimulate physical, emotional, intellectual, and social development.

Managers, who account for about 8 percent of wage and salary workers, establish overall objectives and standards for their center and provide day-to-day supervision of their staff. They bear overall responsibility for program development as well as for marketing, budgeting, staffing, and all other administrative tasks.

In addition to the above occupations, child-care centers also employ a variety of *administrative support personnel*, *cleaners*, *cooks*, and *busdrivers*.

Training and Advancement

Most States do not impose training requirements for family child-care providers. However, many local governments offer training and require family child-care providers to obtain

licenses. Home safety inspections and criminal background checks are usually required of an applicant. In the case of child-care centers, however, staffing requirements are imposed primarily by the States and by insurers. Although requirements vary, in most cases a minimum age of 18 is required for teachers, and a 21-year minimum age for directors or officers. In some States, assistants may work at 16, and in several States, at age 14.

Most States have established minimum educational or training requirements. Training requirements are most stringent for directors, less so for teachers, and minimal for child-care workers and teacher assistants. In many centers, directors must have a college degree, often with experience in child care and specific training in early childhood development. Teachers must have a high school diploma and, in many cases, a combination of college education and experience. Assistants and child-care workers usually need a high school diploma, but it is not always a requirement.

Many States also mandate other types of training for staff members, such as health and first aid, fire safety, and child abuse detection and prevention. In nearly all States, licensing regulations require criminal record checks for all child-care staff. This screening requirement protects children from abuse and reduces liability risks, making insurance more available and affordable.

State governments also have established requirements for other child-care center personnel involved in food preparation, transportation of children, provision of medical services, and other services. Most States have defined minimum staff-to-children ratios. These vary depending on the State and the age of the children involved.

Earnings

In 1998, hourly earnings of nonsupervisory workers in the child-care services industry averaged \$7.89, much less than the average of \$12.77 for all industries combined. On a weekly basis, earnings in child-care services averaged \$237 in 1998, barely more than half the average of \$442 for all industries. Weekly earnings, in part, reflect hours worked—salaried workers in child-care services averaged 30 hours a week, compared to about 35 throughout private industry. Earnings in selected occupations in child-care services in 1997 appear in table 3.

Employee benefits often are minimal as well. A substantial number of child-care centers offer no health care benefits to any teaching staff. Reduced child care fees for workers' children, however, is a common benefit. Wage levels, employee benefits, and resulting turnover depends in part on the type of child-care center. Nonprofit and religiously affiliated centers generally pay higher wages and offer more generous benefits than for-profit establishments.

Only about 4 percent of all workers in child-care services are union members or are covered by union contracts, compared to 15.4 percent of all workers in private industry.

Outlook

Wage and salary jobs in the child-care services industry are projected to grow 32 percent over the 1998-2008 period, more than double the rate of growth projected for the entire economy. In addition to openings created by rapid employment growth, an unusually large number of job openings will

result each year from the need to replace experienced workers who leave the industry. Turnover is very high, reflecting the low wages and relatively meager benefits. Rapid growth coupled with high turnover should create excellent employment opportunities.

Table 3. Median hourly earnings of the largest occupations in child-care services, 1997

Occupation	Child-care services	All industries
General managers and top executives ...	\$12.55	\$26.05
Education administrators	12.02	28.02
Social workers, except medical and psychiatric	10.82	14.01
Teachers, elementary school	9.63	—
Teachers, kindergarten	8.61	—
Teachers, preschool	7.54	8.03
Cooks, institution or cafeteria	6.62	7.51
Teacher aides and educational assistants, clerical	6.51	7.13
Janitors and cleaners, except maids and housekeeping cleaners	6.44	7.44
Child care workers	5.96	6.48

The rising demand for child-care services reflects demographic trends. Over the 1986-96 period, the population of women of childbearing age (widely considered to be age 15 to 44) increased by over 2 million, accompanied by a rise in their labor force participation. The interplay of these forces increased very rapidly the number of women in the labor force with children young enough to require child care. These demographic changes are projected to slow over the 1998-2008 period, and projected employment growth in the child-care services industry—while rapid—represents a slowdown from the previous 10 years. The number of women of childbearing age is expected to grow very slowly and the number of children under age 5 will decline during this period before rising to just above 1998 levels.

Nevertheless, the demand for child care services will remain high. As the labor force participation of women between the ages of 16 and 44 increases, more parents of preschool and school-age children will seek suitable daycare arrangements. More child-care centers will be needed if more parents enroll their children in nursery school or preschool programs. School-age children, who generally require child care only before and after school, increasingly are being cared for in centers.

Center-based care should continue to expand its share of the industry as government increases its involvement in promoting and funding child-care services. Increased funding for Head Start and other national child-care programs would result in more children being served in centers. Another factor that could result in more children being cared for in centers is the greater involvement of employers in funding and operating daycare centers. Recently enacted welfare reform legislation requiring more welfare recipients to work could also contribute to demand for child-care services.

Sources of Additional Information

For additional information about careers and training in the child-care services industry, write to:

- National Association for the Education of Young Children, 1509 16th St. NW., Washington, DC 20036.
Internet: **<http://www.naeyc.org>**
- Center for the Child Care Workforce, 733 15th St. NW., Suite 1037, Washington, DC 20005.
Internet: **<http://www.ccw.org>**

Detailed information on the following key occupations in the child-care services industry appears in the 2000-2001 *Occupational Outlook Handbook*:

- Preschool teachers and child-care workers
- Teacher assistants